

F-1 BALANCE SHEET
Assets and Other Debits

Line No.	Account Title (Number) (a)	Ref Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	UTILITY PLANT				
1	Utility Plant (101-106)	F-6	\$ 3,458,705	\$ 2,945,909	\$ 2,859,233
2	Less: Accumulated Depr. and Amort. (108-110)	F-6	1,565,196	1,285,619	1,225,049
3	Net Plant		\$ 1,893,509	\$ 1,660,290	\$ 1,634,184
4	Utility Plant Acquisition Adj. (Net) (114-115)	F-7	(13,484)	(13,485)	22,750
5	Total Net Utility Plant		\$ 1,880,025	\$ 1,646,805	\$ 1,656,934
	OTHER PROPERTY AND INVESTMENTS				
6	Nonutility Property (121)	F-14			
7	Less: Accumulated Depr. and Amort. (122)	F-15			
8	Net Nonutility Property				
9	Investment in Associated Companies (123)	F-16			
11	Utility Investments (124)	F-16	8,404	6,558	4,718
12	Other Investments	F-16			
13	Special Funds(126-128)	F-17			
14	Total Other Property & Investments		\$ 8,404	\$ 6,558	\$ 4,718
	CURRENT AND ACCRUED ASSETS				
16	Cash (131)		\$ 24,860	\$ 16,358	\$ 10,318
17	Special Deposits (132)	F-18			
18	Other Special Deposits (133)	F-18			
19	Working Funds (134)				
20	Temporary Cash Investments (135)	F-16			
21	Accounts and Notes Receivable-Net (141-144)	F-19	27,311	14,312	18,070
22	Accounts Receivable from Assoc. Co. (145)	F-21			
23	Notes Receivable from Assoc. Co. (146)	F-21			
24	Materials and Supplies (151-153)	F-22	14,032	10,606	12,116
25	Stores Expense (161)				
26	Prepayments-Other (162)	F-23	1,363	2,738	2,379
27	Prepaid Taxes (163)	F-38			
28	Interest and Dividends Receivable (171)	F-24			
29	Rents Receivable (172)	F-24			
30	Accrued Utility Revenues (173)	F-24	63,985	55,748	62,546
31	Misc. Current and Accrued Assets (174)	F-24	-		-
32	Total Current and Accrued Assets		\$ 131,551	\$ 99,762	\$ 105,429
	DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181) - Note 1	F-25			
33	Extraordinary Property Losses (182)	F-26			
34	Prelim. Survey & Investigation Charges (183)	F-27	186,492	103,023	84,451
35	Clearing Accounts (184)				
36	Temporary Facilities (185)				
37	Miscellaneous Deferred Debits (186)	F-28	290,095	237,290	132,414
38	Research & Development Expenditures (187)	F-29			
39	Accumulated Deferred Income Taxes (190)	F-30	3,000	39,800	28,000
40	Total Deferred Debits		\$ 479,587	\$ 380,113	\$ 244,865
	TOTAL ASSETS AND OTHER DEBITS		\$ 2,499,567	\$ 2,133,238	\$ 2,011,946

F-1 BALANCE SHEET
Equity Capital and Liabilities

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	EQUITY CAPITAL				
1	Common Stock Issued (201)	F-31			
2	Preferred Stock Issued (204)	F-31			
3	Capital Stock Subscribed (202,205)	F-32			
4	Stock Liability for Conversion (203, 206)	F-32			
5	Premium on Capital Stock (207)	F-31			
6	Installments Received On Capital Stock (208)	F-32			
7	Other Paid-In Capital (209,211)	F-33	1,066,251	620,021	589,521
8	Discount on Capital Stock (212)	F-34			
9	Capital Stock Expense(213)	F-34			
10	Retained Earnings (214-215)	F-3	115,931	86,877	51,443
11	Reacquired Capital Stock (216)	F-31			
12	Total Equity Capital		\$ 1,182,182	\$ 706,898	\$ 640,964
	LONG TERM DEBT				
13	Bonds (221)	F-35			
14	Reacquired Bonds (222)	F-35			
15	Advances from Associated Companies (223)	F-35			
16	Other Long-Term Debt (224)	F-35	555,324	525,432	566,839
17	Total Long-Term Debt - Note 1		\$ 555,324	\$ 525,432	\$ 566,839
	CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)		\$ 60,089	\$ 25,699	\$ 8,412
19	Notes Payable (232)	F-36	13,900	90,000	26,612
20	Accounts Payable to Associated Co. (233)	F-37	99,920	224,688	199,478
21	Notes Payable to Associated Co. (234)	F-37			
22	Customer Deposits (235)				
23	Accrued Taxes (236)	F-38	(18,196)	(1,231)	400
24	Accrued Interest (237)		5,382	3,798	1,807
25	Accrued Dividends (238)				
26	Matured Long-Term Debt (239)	F-39			
27	Matured Interest (240)	F-39			
28	Misc. Current and Accrued Liabilities (241)	F-39	-		-
29	Total Current and Accrued Liabilities		\$ 161,095	\$ 342,954	\$ 236,709
	DEFERRED CREDITS				
30	Unamortized Premium on Debt (251)	F-25			
31	Advances for Construction (252)	F-40			
32	Other Deferred Credits (253)	F-41			
33	Accumulated Deferred Investment Tax Credits (255)	F-42			
34	Accumulated Deferred Income Taxes:				
35	Accelerated Amortization (281)	F-45			
36	Liberalized Depreciation (282) - Note 2	F-45	199,797	200,329	189,151
37	Other (283)	F-45			
38	Total Deferred Credits		\$ 199,797	\$ 200,329	\$ 189,151
	OPERATING RESERVES				
39	Property Insurance Reserve (261)	F-44			
40	Injuries and Damages Reserve (262)	F-44			
41	Pensions and Benefits Reserves (263)	F-44			
42	Miscellaneous Operating Reserves (265)	F-44			
43	Total Operating Reserves				
	CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	F-46	\$ 776,759	\$ 635,660	\$ 635,660
45	Accumulated Amortization of C.I.A.C. (272)	F-46	375,590	278,035	257,377
46	Total Net C.I.A.C.		\$ 401,169	\$ 357,625	\$ 378,283
46	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 2,499,567	\$ 2,133,238	\$ 2,011,946

F-2 STATEMENT OF INCOME

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	UTILITY OPERATING INCOME				
1	Operating Revenues(400)	F-47	\$ 705,735	\$ 633,885	\$ 640,896
2	Operating Expenses:				
3	Operating and Maintenance Expense (401)	F-48	\$ 489,703	\$ 433,892	\$ 497,153
4	Depreciation Expense (403)	F-12	120,700	102,770	96,171
5	Amortization of Contribution in Aid of Construction (405)	F-46.4	(25,581)	(20,658)	(20,821)
6	Amortization of Utility Plant Acquisition Adjustment (406)	F-49	8,068	4,358	4,358
7	Amortization Expense-Other (407)	F-49			
8	Taxes Other Than Income (408.1-408.13)	F-50	37,050	31,374	30,720
9	Income Taxes (409.1, 410.1, 411.1, 412.1)		11,700	(9,712)	28,770
10	Total Operating Expenses		\$ 641,640	\$ 542,024	\$ 636,351
11	Net Operating Income (Loss)		\$ 64,095	\$ 91,861	\$ 4,545
12	Income From Utility Plant Leased to Others (413)	F-51			
13	Gains(Losses) From Disposition of Utility Property (414)	F-52			
14	Net Water Utility Operating Income		\$ 64,095	\$ 91,861	\$ 4,545
	OTHER INCOME AND DEDUCTIONS				
15	Revenues From Merchandising, Jobbing and Contract Work (415)	F-53	\$ 100		
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	F-53			
17	Equity in Earnings of Subsidiary Companies (418)				
18	Interest and Dividend Income (419)	F-54	5,193	5,459	6033
19	Allow. for funds Used During Construction (420)				
20	Nonutility Income (421)	F-54			
21	Gains (Losses) Form Disposition Nonutility Property (422)				
22	Miscellaneous Nonutility Expenses (426)	F-54	(13,065)	(36,234)	
23	Total Other Income and Deductions		\$ (7,772)	\$ (30,775)	\$ 6,033
	TAXES APPLICABLE TO OTHER INCOME				
24	Taxes Other Than Income (408.2)	F-50			
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)				
26	Total Taxes Applicable To Other Income				
	INTEREST EXPENSE				
27	Interest Expense (427)	F-35	\$ 23,808	\$ 23,360	\$ 22,076
28	Amortization of Debt Discount & Expense (428)	F-25	3,452	2,292	2,291
29	Amortization of Premium on Debt (429)	F-25			
30	Total Interest Expense		\$ 27,260	\$ 25,652	\$ 24,367
31	Income Before Extraordinary Items		\$ 29,063	\$ 35,434	\$ (13,789)
	EXTRAORDINARY ITEMS				
32	Extraordinary Income (433)	F-55			
33	Extraordinary Deductions (434)	F-55			
34	Income Taxes, Extraordinary Items (409.3)	F-50			
35	Net Extraordinary Items				
	NET INCOME (LOSS)		\$ 29,063	\$ 35,434	\$ (13,789)

F-2 STATEMENT OF INCOME by SYSTEM

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	LMC (c)	WR (d)	Rosebrook (e)	Tioga GillfordVillage (f)	Tioga Belmont (g)	Total (h)
	UTILITY OPERATING INCOME							
1	Operating Revenues(400)	F-47	\$ 238,658	\$ 82,211	\$ 353,557	\$ 18,671	\$ 12,638	\$ 705,735
2	Operating Expenses:							
3	Operating and Maintenance Expense (401)	F-48	\$ 161,503	\$ 82,034	\$ 181,601	\$ 28,701	\$ 35,864	\$ 489,703
4	Depreciation Expense (403)	F-12	25,232	19,061	61,260	9,615	5,532	120,700
5	Amortization of Contribution in Aid of Construction (405)	F-46.4	(1,419)	(5,139)	(13,999)	(2,710)	(2,314)	(25,581)
6	Amortization of Utility Plant Acquisition Adjustment (406)	F-49	3,268	1,091	3,709			8,068
7	Amortization Expense-Other (407)	F-49						
8	Taxes Other Than Income (408.1-408.13)	F-50	10,598	9,789	16,117	273	273	37,050
9	Income Taxes (409.1, 410.1, 411.1, 412.1)		8,100	(7,200)	23,400	(5,000)	(7,600)	11,700
10	Total Operating Expenses		\$ 207,282	\$ 99,636	\$ 272,088	\$ 30,879	\$ 31,755	\$ 641,640
11	Net Operating Income (Loss)		\$ 31,376	\$ (17,425)	\$ 81,469	\$ (12,208)	\$ (19,117)	\$ 64,095
12	Income From Utility Plant Leased to Others (413)	F-51						
13	Gains(Losses) From Disposition of Utility Property (414)	F-52						
14	Net Water Utility Operating Income		\$ 31,376	\$ (17,425)	\$ 81,469	\$ (12,208)	\$ (19,117)	\$ 64,095
	OTHER INCOME AND DEDUCTIONS							
15	Revenues From Merchandising, Jobbing and Contract Work (415)	F-53			\$ 100			\$ 100
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	F-53						
17	Equity in Earnings of Subsidiary Companies (418)							
18	Interest and Dividend Income (419)	F-54	1,294	429	3,470			5,193
19	Allow. for funds Used During Construction (420)							
20	Nonutility Income (421)	F-54						
21	Gains (Losses) Form Disposition Nonutility Property (422)							
22	Miscellaneous Nonutility Expenses (426)	F-54			(13,065)			(13,065)
23	Total Other Income and Deductions		\$ 1,294	\$ 429	\$ (9,495)	\$-	\$-	\$ (7,772)
	TAXES APPLICABLE TO OTHER INCOME							
24	Taxes Other Than Income (408.2)	F-50						
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)							
26	Total Taxes Applicable To Other Income							
	INTEREST EXPENSE							
27	Interest Expense (427)	F-35	\$ 5,422	\$ 1,995	\$ 15,834	\$ 298	\$ 259	\$ 23,808
28	Amortization of Debt Discount & Expense (428)	F-25	1,623	541	128	561	599	3,452
29	Amortization of Premium on Debt (429)	F-25						
30	Total Interest Expense		\$ 7,045	\$ 2,536	\$ 15,962	\$ 859	\$ 858	\$ 27,260
31	Income Before Extraordinary Items		\$ 25,625	\$ (19,532)	\$ 56,012	\$ (13,067)	\$ (19,975)	\$ 29,063
	EXTRAORDINARY ITEMS							
32	Extraordinary Income (433)	F-55						
33	Extraordinary Deductions (434)	F-55						
34	Income Taxes, Extraordinary Items (409.3)	F-50						
35	Net Extraordinary Items							
	NET INCOME (LOSS)		\$ 25,625	\$ (19,532)	\$ 56,012	\$ (13,067)	\$ (19,975)	\$ 29,063

F-1 BALANCE SHEET

Capital Structure

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	EQUITY CAPITAL				
1	Common Stock Issued (201)	F-31			
2	Preferred Stock Issued (204)	F-31			
3	Capital Stock Subscribed (202,205)	F-32			
4	Stock Liability for Conversion (203, 206)	F-32			
5	Premium on Capital Stock (207)	F-31			
6	Installments Received On Capital Stock (208)	F-32			
7	Other Paid-In Capital (209,211)	F-33	1,066,251	620,021	589,521
8	Discount on Capital Stock (212)	F-34			
9	Capital Stock Expense(213)	F-34			
10	Retained Earnings (214-215)	F-3	115,931	86,877	51,443
11	Reacquired Capital Stock (216)	F-31			
12	Total Equity Capital		\$ 1,182,182	\$ 706,898	\$ 640,964
	LONG TERM DEBT				
13	Bonds (221)	F-35			
14	Reacquired Bonds (222)	F-35			
15	Advances from Associated Companies (223)	F-35			
16	Other Long-Term Debt (224)	F-35	555,324	525,432	566,839
17	Total Long-Term Debt - Note 1		\$ 555,324	\$ 525,432	\$ 566,839
	TOTAL CAPITALIZATION		\$ 1,737,506	\$ 1,232,330	\$ 1,207,803

F-35 LONG TERM DEBT (Accounts 221, 222, 223, and 224)

[illegible]

Rate of Return Information

Overall Rate of Return	Component Ratio	Actual	Wght Avg Cost Rate		Component Ratio	Proforma	Wght Avg Cost Rate
		Component Cost Rate				Component Cost Rate	
Equity Capital	67.46%	9.60%	6.48%		61.50%	10.44%	6.42%
Long Term Debt	32.54%	4.08%	1.33%		38.50%	3.96%	1.53%
Total Capital	100.00%		7.81%		100.00%		7.95%

Capital Structure	2019 Actual		2019 Proforma	
	Amounts	Ratios	Amounts	Ratios
Common Stock	\$ -	0.00%	\$ -	0.00%
Other Paid in Capital	1,066,251	60.85%	1,066,251	55.47%
Retained Earnings	115,931	6.62%	115,931	6.03%
Total Equity	\$ 1,182,182	67.46%	\$ 1,182,182	61.50%
Long Term Debt	570,169	32.54%	740,169	38.50%
Total Capital	\$ 1,752,351	100.00%	\$ 1,922,351	100.00%

Capital Structure for 2019 - 2017	2019	2018	2017
	Amounts	Amounts	Amounts
Common Stock	\$ -	\$ -	\$ -
Other Paid in Capital	1,066,251	620,021	589,521
Retained Earnings	115,931	86,877	51,443
Total Equity	\$1,182,182	\$ 706,898	\$ 640,964
Long Term Debt	570,169	537,892	581,591
Total Capital	\$1,752,351	\$ 1,244,790	\$ 1,222,555

Capital Structure Ratios for 2019 - 2017	<u>2019 Ratios</u>	<u>2018 Ratios</u>	<u>2017 Ratios</u>
Common Stock	0.00%	0.00%	0.00%
Other Paid in Capital	60.85%	49.81%	48.22%
Retained Earnings	6.62%	6.98%	4.21%
Total Equity	67.46%	56.79%	52.43%
Long Term Debt	32.54%	43.21%	47.57%
Total Capital	100.00%	100.00%	100.00%

Cost of Common Equity Capital

The Company is utilizing the Commission determined cost of common equity of 9.69% plus .50% for rate case expense savings adder, plus .00% for capital structure adder, plus .25% for exemplary performance adder.

AWC Lakeland Sewer

Computation of Revenue Deficiency - Sewer

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 49,752	\$ 51,375
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 3,886	\$ 4,084
Net Operating Income (Schedule 1)	<u>1,765</u>	<u>4,085</u>
Operating Income (Deficiency) Surplus	\$ (2,121)	\$ (0)
Tax Effect	<u></u>	<u>-</u>
Revenue Deficiency (Surplus)	<u>\$ (2,121)</u>	<u>\$ (0)</u>

Statement of Income - Sewer

Line No.	Account Title (Number) (a)	Actual 2019 Year End Balance (b)	Proforma Adjustments (c)	Proforma 2019 Year End Balances (d)	Actual 2018 Year End Balance (e)	Actual 2017 Year End Balance (f)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 115,921	\$ 11,066	\$ 126,987		
2	Operating Expenses:					
3	Operating and Maintenance Expense:					
4	Purchased Sewer Treatment (710)	62,751	5,035	67,786		
5	Purchased Power (715)	6,959	-	6,959		
6	Miscellaneous Pumping Expenses (775)	8,001	2,206	10,207		
	Customer Accounts Expense	3,341	-	3,341		
7	General and Administrative Expenses	26,607	559	27,166		
8	Total Operating and Maintenance Expenses	107,659	7,800	115,459		
9	Depreciation Expense (403)	2,953	-	2,953		
10	Amortization of Contribution in Aid of Construction (405)					
11	Amortization of Utility Plant Acquisition Adjustment (406)	1,624		1,624		
12	Amortization Expense-Other (407)		594	594		
13	Taxes Other Than Income (408.1-408.13)	1,088	-	1,088		
14	Income Taxes (409.1, 410.1, 411.1, 412.1)	832	352	1,184		
15	Total Operating Expenses	\$ 114,156	\$ 8,746	\$ 122,902	\$ -	\$ -
16	Net Operating Income (Loss)	\$ 1,765	\$ 2,320	4,085	-	-
17	Other Income and Deductions					
18	Interest and Dividend Income (419)	133		133		
19	Allow. for funds Used During Construction (420)					
20	Nonutility Income (421)					
21	Gains (Losses) From Disposition of Nonutility Property (421)					
22	Miscellaneous Nonutility Expenses (426)					
23	Interest Expense (427)	(723)		(723)		
24	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
25	Total Other Income and Deductions	\$ (590)	\$ -	\$ (590)		\$ -
26	NET INCOME (LOSS)	\$ 1,175	\$ 2,320	\$ 3,495	\$ -	\$ -

**AWC Lakeland Sewer
Statement of Income - Sewer Proforma Adjustments**

Schedule 1A

Page 1 of 4

Operating Revenues

1	Proforma 2019 Year End Balance	\$ 126,987
	Actual 2019 Year End Balance	<u>115,921</u>
	Proforma Adjustment	<u>\$ 11,066</u>

To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.

Total Proforma Adjustment to Operating Revenues	<u>\$ 11,066</u>
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Operation and Maintenance Expenses

2 Purchased Sewer Treatment

Proforma 2019 Year End Balance	\$ 65,440
Actual 2019 Year End Balance	<u>62,751</u>
Proforma Adjustment	<u>\$ 2,689</u>

3 To adjust test year expenses for 2020 increases in City of Laconia sewer rates from \$0.0520 to \$0.0538 and per unnit charge from \$12.41 to \$12.86.

Proforma 2019 Year End Balance	\$ 67,786
Actual 2019 Year End Balance	<u>65,440</u>
Proforma Adjustment	<u>\$ 2,346</u>

To adjust test year expenses for anticipated 2021 increase in City of Laconia sewer rates from \$0.0538 to \$0.0557 and per unnit charge from \$12.86 to \$13.33.

Total Purchased Sewer Treatment	<u>\$ 5,035</u>
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4 Purchase Power

Proforma 2019 Year End Balance	\$ 6,959
Actual 2019 Year End Balance	<u>6,959</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for ...

5 Miscellaneous Pumping Expenses

Proforma 2019 Year End Balance	\$ 10,207
Actual 2019 Year End Balance	<u>8,001</u>
Proforma Adjustment	<u>\$ 2,206</u>

To adjust test year expenses for removal and unbinding of pump #1.
Initially, it was charged to misc def drs, but later determined to be normal maintenance.

6 Customer Accounts Expenses

Proforma 2019 Year End Balance	\$ 3,341
Actual 2019 Year End Balance	<u>3,341</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for ...

7 General and Administrative Expenses

Proforma 2019 Year End Balance	\$ 26,666
Actual 2019 Year End Balance	<u>26,607</u>
Proforma Adjustment	<u>\$ 59</u>

To adjust test year expenses for increase in office lease expense (\$1,631.73 - \$1,572.55)

8 PUC Audit

Proforma 2019 Year End Balance	\$ 500
Actual 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 500</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ 5,454</u>
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Depreciation Expenses

9	Proforma 2019 Year End Balance	\$	2,953
	Actual 2019 Year End Balance		<u>2,953</u>
	Proforma Adjustment	\$	<u>-</u>
	To adjust test year depreciation expenses for ...		

Amortization of Acquisition Adjustment

	Proforma 2019 Year End Balance	\$	1,624
	Actual 2019 Year End Balance		<u>1,624</u>
	Proforma Adjustment		<u>-</u>
	To adjust test year amortization expenses for ...		

Amortization Expenses

10	Proforma 2019 Year End Balance	\$	594
	Actual 2019 Year End Balance		<u>-</u>
	Proforma Adjustment	\$	<u>594</u>
	To adjust test year expenses for the amortization of misc def drs over 5 years		

Taxes other than Income**Town of Belmont**

11	Proforma 2019 Year End Balance	\$	842
	Actual 2019 Year End Balance		<u>842</u>
	Proforma Adjustment	\$	<u>-</u>
	To adjust test year expenses for ...		

State of New Hampshire

12	Proforma 2019 Year End Balance	\$	246
	Actual 2019 Year End Balance		<u>246</u>
	Proforma Adjustment	\$	<u>-</u>
	To adjust test year expenses for ...		
	Total Proforma Adjustments to Taxes other than Income	\$	<u>-</u>
	See 3B for calculation of additional state and local property taxes.		

Income TaxesFederal Income Taxes

13	Proforma 2019 Year End Balance	\$	877
	Actual 2019 Year End Balance		<u>770</u>
	Proforma Adjustment	\$	<u>107</u>
	To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see schedule 5.		

State Business Taxes

14	Proforma 2019 Year End Balance	\$	348
	Actual 2019 Year End Balance		<u>103</u>
	Proforma Adjustment	\$	<u>245</u>
	To adjust test year expenses for the increase in state business taxes due to the increase		

Provision for Deferred Taxes

15	Proforma 2019 Year End Balance	\$	(41)
	Actual 2019 Year End Balance		(41)
	Proforma Adjustment	\$	<u>-</u>
	Total Proforma Adjustments to Income Taxes	\$	<u>352</u>

AWC Lakeland Sewer**Schedule 1b****Income Tax Computation**

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$49,752	\$51,375
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$3,224	\$3,298
Tax Multiplier (Schedule 5A)	<u>1,197</u>	<u>1,225</u>
Income Required before Income Taxes	\$4,421	\$4,523
Less: NH Business Profits Tax @ 7.7%	<u>340</u>	<u>348</u>
Income subject to Federal Taxes	\$4,081	\$4,175
Less: Federal Income Tax @ 21%	<u>857</u>	<u>877</u>
Income after Income Taxes	<u>\$3,224</u>	<u>\$3,298</u>

AWC Lakeland Sewer**Schedule 1c****Effective Tax Factor**

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Lakeland Sewer
Balance Sheet

Schedule 2

See Abenaki Water Company Balance Sheet.

**AWC Lakeland Sewer
Rate Base - Sewer Proforma Adjustments**

**Schedule 3A
Page 1 of 2**

Plant in Service

1	Proforma Year End Balance	\$ 112,016
	5 Quarter Average Year End Balance	<u>112,016</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarter average test year plant in service to year end balance	

Accumulated Depreciation and Amortization

2	Proforma Year End Balance	\$ 70,124
	5 Quarter Average Year End Balance	<u>68,648</u>
	Proforma Adjustment	<u>\$ 1,476</u>
	To adjust 5 quarter average test year plant in service to year end balance	

Miscellaneous Deferred Debits

3	Proforma Year End Balance with 2019 tax rate change and step increase costs	\$ 2,971
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 2,971</u>
	To adjust test year year end balance of miscellaneous deferred debits for 2019 tax rate effect change and sewer step increase costs	
	Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 2,971</u>

Amortization of Miscellaneous Deferred Debits

4	Proforma Year End Balance with add'l half year amort on 2020 additions	\$ (297)
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ (297)</u>
	To adjust test year year end balance of half year amortization of misc def debits	
	Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ (297)</u>

Accumulated Deferred Income Taxes - Liabilities

5	Proforma Year End Balance	\$ (7,427)
	5 Quarter Average Year End Balance	<u>(6,891)</u>
	Proforma Adjustment	<u>\$ (536)</u>
	To adjust 5 quarter average test year plant in service to year end balance	

Cash Working Capital

6	Proforma Year End Balance	\$ 14,236
	Year End Balance	<u>13,274</u>
	Proforma Adjustment	<u>\$ 962</u>

To adjust test year cash working capital balance
 For additional support, please see schedule 3D

AWC Lakeland Sewer

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2019				
PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost
371	Pumping Equipment	\$ -	10.00%	\$ -
	Total 2014 Additions	\$ -		\$ -

Plant to be put in service in 2020				
PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost
	TOTAL	\$ -		\$ -
	TOTAL			\$ -

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ -
Total Increase in Accum Depr & Amort	-
Net Total Increase in Plant	\$ -
Total Increase in Plant per Thousands	-
State Utility Property Tax Rate	\$ 6.60
Total Increase in State Utility Property Taxes	\$ -

Town of Belmont Property Taxes

Net Total Increase in Plant	\$ -
Total Increase in Plant per Thousands	-
Town of Belmont Property Tax Rate	\$ 23.12
Total Increase in Town of Belmont Property Taxes	\$ -

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	<u>Cost</u>	<u>Amort. Rate</u>	<u>Annual Cost</u>	<u>Accum Amort.</u>
186	2019 Tax Rate Effect Change (158 / 318 x \$2,888)	\$ 1,435	20.00%	\$ 287	\$ 144
186	2019 Sewer Step Rate Increase	<u>1,536</u>	20.00%	<u>307</u>	<u>154</u>
	TOTAL	<u>\$ 2,971</u>		<u>\$ 594</u>	<u>\$ 297</u>

AWC Lakeland Sewer**Schedule 3D****Working Capital - Sewer**

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$115,459	\$107,659
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$14,236</u>	<u>\$13,274</u>

AWC Lakeland Sewer

Schedule 4

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

AWC Lakeland Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 298,944	\$ 301,317
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 23,347	\$ 23,955
Net Operating Income (Schedule 1)	<u>29,608</u>	<u>23,954</u>
Operating Income (Deficiency) Surplus	\$ 6,261	\$ 0
Tax Effect	<u></u>	<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ 6,261</u>	<u>\$ 0</u>

AWC Lakeland Water

Statement of Income - Water

Schedule 1

Line No.	Account Title (Number) (a)	Actual 2019 Year End Balance (b)	Proforma Adjustment (c)	Proforma 2019 Year End Balance (d)	Actual 2018 Year End Balance (e)	Actual 2017 Year End Balance (f)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 122,737	(\$3,370)	\$ 119,367		
2	Operating Expenses:					
3	Operating and Maintenance Expense (401):					
4	Source of Supply	-		-		
5	Pumping Expenses	12,546		12,546		
6	Water Treatment Expense	7,633		7,633		
7	T&D Expenses	2,746		2,746		
8	Customer Expense	3,384		3,384		
9	Administrative & General Expense	27,537	560	28,097		
10	Total Operating and Maintenance Expense	53,846	560	54,406	-	-
11	Depreciation Expense (403)	22,279	1,025	23,304		
12	Amortization of Contribution in Aid of Construction (405)	(1,419)		(1,419)		
13	Amortization of Utility Plant Acquisition Adjustment (406)	1,644		1,644		
14	Amortization Expense-Other (407)		990	990		
15	Taxes Other Than Income (408.1-408.13)	9,510	157	9,667		
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	7,269	(448)	6,821		
17	Total Operating Expenses	\$ 93,129	\$ 2,284	\$ 95,413	\$ -	\$ -
18	Net Operating Income (Loss)	29,608	(5,654)	23,954	-	-
19	Other Income and Deductions					
20	Interest and Dividend Income (419)	1,161		1,161		
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(6,322)		(6,322)		
26	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
27	Total Other Income and Deductions	\$ (5,161)	\$ -	\$ (5,161)	\$ -	\$ -
28	NET INCOME (LOSS)	\$ 24,447	\$ (5,654)	\$ 18,793	\$ -	\$ -

Note: Lakeland's 2018 and 2017 Statement of Income includes both water and sewer.

AWC Lakeland Water

Schedule 1A

Statement of Income - Water Proforma Adjustments

Page 1 of 3

Operating Revenues

1	Proforma 2019 Year End Balance	\$ 119,367
	Actual 2019 Year End Balance	<u>122,737</u>
	Proforma Adjustment	<u>\$ (3,370)</u>

To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.

Total Proforma Adjustment to Operating Revenues \$ (3,370)

Operation and Maintenance Expenses**2 Administrative and General Expenses**

Proforma 2019 Year End Balance	\$27,597
2019 Year End Balance	<u>27,537</u>
Proforma Adjustment	<u>\$ 60</u>

To adjust test year expenses for increase in office lease expense (\$1,652.38 - \$1,592.45)

3 PUC Audit

Proforma 2019 Year End Balance	\$ 500
2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 500</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses \$ 560

Depreciation Expenses

4	Proforma 2019 Test Year Expense adjusted for add'l half year depr on 2019 additions	\$ 22,559
	2019 Test Year Expense	<u>22,279</u>
	Proforma Adjustment	<u>\$ 280</u>

To adjust test year depreciation expenses for an add'l half year depreciation on 2014 adds

5	Proforma 2019 Test Year Expense adjusted for full year depr on 2020 additions	\$ 23,304
	Proforma 2019 Test Year Expense adjusted for add'l half year depr on 2019 additions	<u>22,559</u>
	Proforma Adjustment	<u>\$ 745</u>
	To adjust test year depreciation expenses for full year depreciation on 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ 1,025</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (1,419)
	Actual 2019 Year End Balance	<u>(1,419)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for correct amortization	

Amortization Expenses

7	Proforma 2019 Year End Balance	\$ 990
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 990</u>
	To adjust test year expenses for the amortization of misc def drs over 5 years	

Taxes other than Income

State of New Hampshire

8	Actual 2014 Year End Balance adjusted for state utility property taxes	\$ 2,187
	Actual 2019 Year End Balance	<u>2,152</u>
	Proforma Adjustment	<u>\$ 35</u>

Town of Belmont

9	Actual 2019 Year End Balance adjusted for Town of Belmont Prop. Taxes	\$ 7,480
	Actual 2019 Year End Balance	<u>7,358</u>
	Proforma Adjustment	<u>\$ 122</u>

Total Proforma Adjustments to Taxes other than Income
See 3B for calculation of additional state and local property taxes.

\$ 157

Income Taxes

Federal Income Taxes

10	Proforma 2019 Year End Balance	\$ 5,142
	Actual 2019 Year End Balance	<u>6,735</u>
	Proforma Adjustment	<u>\$ (1,593)</u>

State Business Taxes

11	Proforma 2019 Year End Balance	\$ 2,043
	Actual 2019 Year End Balance	<u>898</u>
	Proforma Adjustment	<u>\$1,145</u>

To adjust test year expenses for the increase in state business taxes due to the increase in revenue. For additional support, please see schedule 5.

Provision for Deferred Taxes

12	Proforma 2019 Year End Balance	\$ (400)
	Actual 2019 Year End Balance	<u>(400)</u>
	Proforma Adjustment	<u>\$ -</u>
	Total Proforma Adjustments to Income Taxes	<u>\$ (448)</u>

AWC Lakeland Water

Income Tax Computation

Schedule 1b

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$298,944	\$301,317
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$19,372	\$19,345
Tax Multiplier (Schedule 5A)	<u>7.195</u>	<u>7.185</u>
Income Required before Income Taxes	\$26,567	\$26,530
Less: NH Business Profits Tax @ 7.7%	<u>2,046</u>	<u>2,043</u>
Income subject to Federal Taxes	\$24,521	\$24,487
Less: Federal Income Tax @ 21%	<u>5,149</u>	<u>5,142</u>
Income after Income Taxes	<u>\$19,372</u>	<u>\$19,345</u>

AWC Lakeland Water**Effective Tax Factor****Schedule 1c**

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Lakeland Water

Balance Sheet

Schedule 2

See Abenaki Water Company Balance Sheet.

AWC Lakeland Water

Rate Base - Water Proforma Adjustments

Schedule 3A

Page 1 of 3

Plant in Service

1	December 2019 Balance	\$ 682,717
	5 Quarters Average Year End Balance	<u>681,800</u>
	Proforma Adjustment	<u>\$ 917</u>

To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant

2	Proforma Year End Balance with 2020 additions to plant	\$ 688,365
	December 2019 Balance	<u>682,717</u>
	Proforma Adjustment	<u>\$ 5,648</u>

To adjust test year year end balance of plant in service for 2020 capital additions
For additional support, please see schedule 3B

	Total Proforma Adjustments to Plant in Service	<u>\$ 6,565</u>
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Accumulated Depreciation and Amortization

3	December 2019 Balance	\$ 313,837
	5 Quarters Average Year End Balance	<u>305,957</u>
	Proforma Adjustment	<u>\$ 7,880</u>

To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr

4	Proforma Year End Balance with add'l half year depr on 2019 additions	\$ 314,117
	December 2019 Balance	<u>313,837</u>
	Proforma Adjustment	<u>\$ 280</u>

To adjust test year year end balance of plant in service for add'l half year for 2019 additions

5	Proforma Year End Balance with add'l full year depr on 2020	\$ 314,489
	Proforma Year End Balance with add'l half year depr on 2019 additions	<u>314,117</u>
	Proforma Adjustment	<u>\$ 372</u>

To adjust test year year end balance of plant in service for add'l full year for 2020 additions

Total Proforma Adjustments to Accumulated Depreciation and Amortization
Please see schedule 3B for more support.

\$ 8,532

Miscellaneous Deferred Debits

6 Proforma Year End Balance with 2017 boiling and 2019 tax rate effect change \$ 8,449

December 2019 Balance -

Proforma Adjustment \$ 8,449

To adjust test year year end balance of miscellaneous deferred debits for 2017 water boiling and 2019 tax rate effect change

Total Proforma Adjustments to Miscellaneous Deferred Debits \$ 8,449

Amortization of Miscellaneous Deferred Debits

7 Proforma Year End Balance with add'l half year amort on 2020 additions \$ (495)

December 2019 Balance -

Proforma Adjustment \$ (495)

To adjust test year year end balance of half year amortization of misc def debits

Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits \$ (495)

Contribution in Aid of Construction

8 Proforma Year End Balance \$ (43,052)

5 Quarters Average Year End Balance (43,052)

Proforma Adjustment \$ -

To adjust 5 quarters average test year to year end balance.

Accumulated Amortization of CIAC

Proforma Year End Balance \$ 13,499

9 5 Quarters Average Year End Balance 12,789

Proforma Adjustment \$ 710

To adjust 5 quarters test year average accumulated amortization of CIAC to fully reflect 2019 accum depr

Accumulated Deferred Income Taxes

10	Proforma Year End Balance	\$ (64,984)
	5 Quarters Average Year End Balance	<u>(60,592)</u>
	Proforma Adjustment	<u>\$ (4,392)</u>
	To adjust 5 quarter average test year to year end balance	

Cash Working Capital

11	Year End Proforma Balance	\$ 6,708
	December 2019 Year End Balance	<u>6,639</u>
	Proforma Adjustment	<u>\$ 69</u>
	Total Proforma Adjustments to Cash Working Capital	
	See Schedule 3D for calculation of cash working capital.	

AWC Lakeland Water

Plant / Accumulated Depreciation / Depreciation Expense

Schedule 3B

Plant put in service in 2019

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
311	Pumping Equipment	\$ 4,729	10.00%	\$ 473	\$ 236
333	Services		2.50%	-	-
334	Purchase & Installation of Meters		5.00%	-	-
346	Communication Equipment		14.29%	-	-
347	Remote Access Software	433	20.00%	87	43
	TOTAL	\$ 5,162		\$ 560	\$ 280

Plant to be put in service in 2020

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
304	Structures & Improvements		2.50%	\$ -	\$ -
333	Services	2,199	2.50%	55	27
347	Digitize & Prepare Distribution Plan	3,449	20.00%	690	345
	TOTAL	\$ 5,648		\$ 745	\$ 372
	TOTAL			\$	652

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 5,648
Total Increase in Accum Depr & Amort	372
Net Total Increase in Plant	\$ 5,276
Total Increase in Plant per Thousands	5
State Utility Property Tax Rate	\$ 6.60
Total Increase in State Utility Property Taxes	\$ 35

Town of Belmont Property Taxes

Net Total Increase in Plant	\$ 5,276
Total Increase in Plant per Thousands	5
Town of Belmont Property Tax Rate	\$ 23.12
Total Increase in Town of Belmont Property Taxes	\$ 122

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	Cost	Amort. Rate	Annual Cost	Accum Amort.
186	2017 Water Boiling	\$6,996	10.00%	\$700	\$350
186	2019 Tax Rate Effect Change (160 / 318 x \$2,888)	1,453	20.00%	291	145
	TOTAL	\$8,449		\$990	\$495

AWC Lakeland Water

Working Capital - Water

Schedule 3D

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$54,406	\$53,846
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$6,708</u>	<u>\$6,639</u>

AWC Lakeland Water

Schedule 4

Rate of Return Information

AWC White Rock Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 243,250	\$ 507,033
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 18,998	\$ 40,309
Actual Net Operating Income (Schedule 1)	<u>(17,425)</u>	<u>40,309</u>
Operating Income (Deficiency) Surplus	\$ (36,423)	\$ (0)
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (36,423)</u>	<u>\$ (0)</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 2019 Year End Balance (b)	Proforma Adjustments (c)	Adjusted 2019 Year End Balance (d)	Actual 2018 Year End Balance (e)	Actual 2017 Year End Balance (f)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 82,211	\$ 99,778	\$ 181,989	\$ 91,528	\$ 98,965
2	Operating Expenses:					
3	Operating and Maintenance Expense (401):					
4	Source of Supply			-		
5	Pumping Expenses	27,698		27,698	19,393	22,077
6	Water Treatment Expense	2,653		2,653	2,199	3,731
7	T&D Expenses	3,693		3,693	2,501	1,460
8	Customer Expense	7,068		7,068	7,874	4,962
9	Administrative & General Expense	40,922	581	41,503	36,850	36,778
10	Total Operating and Maintenance Expense	82,034	581	82,615	68,817	69,008
11	Depreciation Expense (403)	19,061	5,911	24,972	18,690	15,848
12	Amortization of Contribution in Aid of Construction (405)	(5,139)	(1,600)	(6,739)	(5,139)	(5,139)
13	Amortization of Utility Plant Acquisition Adjustment (406)	1,091	-	1,091	1,089	1,089
14	Amortization Expense-Other (407)		14,380	14,380		
15	Taxes Other Than Income (408.1-408.13)	9,789	4,281	14,070	9,819	10,553
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	(7,200)	18,490	11,290	199	6,904
17	Total Operating Expenses	\$ 99,636	\$ 42,044	\$ 141,680	\$ 93,475	\$ 98,263
18	Net Operating Income (Loss)	(17,425)	57,734	40,309	(1,947)	702
19	Other Income and Deductions					
20	Interest and Dividend Income (419)	429		429	451	530
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(1,995)		(1,995)	(2,046)	(1,994)
26		(541)		(541)	(541)	(541)
27	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
28	Total Other Income and Deductions	\$ (2,107)	\$ -	\$ (2,107)	\$ (2,136)	\$ (2,005)
29	NET INCOME (LOSS)	\$ (19,532)	\$ 57,734	\$ 38,202	\$ (4,083)	\$ (1,303)

AWC White Rock Water
Statement of Income - Water Proforma Adjustments

Schedule 1A

Page 1 of 4

1 Operating Revenues

Proforma 2019 Year End Balance	\$ 181,989
Actual 2019 Year End Balance	<u>82,211</u>
Proforma Adjustment	<u>\$ 99,778</u>

To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.

Total Proforma Adjustment to Operating Revenues	<u>\$ 99,778</u>
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Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$41,003
2019 Year End Balance	<u>40,922</u>
Proforma Adjustment	<u>\$ 81</u>

To adjust test year expenses for increase in office lease expense (\$1,962.20 - \$1,881.00)

3 PUC Audit

Proforma 2019 Year End Balance	\$ 500
Annualized 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 500</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ 581</u>
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Depreciation Expenses

4 Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additions	\$ 19,896
Actual 2019 Year End Balance	<u>19,061</u>
Proforma Adjustment	<u>\$ 835</u>

To adjust test year depreciation expenses for an additional half year depreciation on 2019 additions

5	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ 24,972
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>19,896</u>
	Proforma Adjustment	<u>\$ 5,076</u>
	To adjust test year depreciation expenses for 2019 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ 5,911</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (5,139)
	Actual 2019 Year End Balance	<u>(5,139)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for ...	
7	Proforma 2019 Year End Balance plus add'l amort of CIAC on \$8,000 grant	\$ (6,739)
	Proforma 2019 Year End Balance	<u>(5,139)</u>
	Proforma Adjustment	<u>\$ (1,600)</u>
	To adjust test year amortization of CIAC for correct amortization	
	To adjust test year amortization of CIAC for 2020 additions	<u>\$ (1,600)</u>

Amortization of Organizational Costs

8	Proforma 2019 Year End Balance	\$ 1,091
	Actual 2019 Year End Balance	<u>1,091</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year expenses for the amortization of org. costs over 12 years	

Amortization of Miscellaneous Deferred Debits

9	Proforma 2019 Year End Balance	\$ 14,380
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 14,380</u>

To adjust test year expenses for the amortization of misc. def debits over 5/10 years

Taxes other than Income

State of New Hampshire

10	Actual 2019 Year End Balance adjusted for state utility property taxes	\$ 2,480
	Actual 2019 Year End Balance	<u>1,619</u>
	Proforma Adjustment	<u>\$ 861</u>

Town of Bow

11	Actual 2019 Year End Balance adjusted for Town of Bow Prop. Taxes	\$ 11,590
	Actual 2019 Year End Balance	<u>8,170</u>
	Proforma Adjustment	<u>\$ 3,420</u>
	Total Proforma Adjustments to Taxes other than Income	<u>\$ 4,281</u>

Income Taxes

Federal Income Taxes

12	Proforma 2019 Year End Balance	\$ 8,653
	Actual 2019 Year End Balance	<u>(4,100)</u>
	Proforma Adjustment	<u>\$ 12,753</u>

To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see schedule 5.

Provision for Deferred Taxes

13	Proforma 2019 Year End Balance	\$ (800)
	Actual 2019 Year End Balance	<u>(800)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for the increase in the provision for deferred taxes

State Business Taxes

14	Proforma 2019 Year End Balance	\$ 3,437
	Actual 2019 Year End Balance	<u>(2,300)</u>
	Proforma Adjustment	<u>\$ 5,737</u>
To adjust test year expenses for the increase in state business taxes due to the increase in revenue. For additional support, please see schedule 5.		
	Total Proforma Adjustments to Income Taxes	<u>\$ 18,490</u>
	Total Operating Expense Adjustments	<u>\$ 42,044</u>

AWC White Rock Water**Schedule 1b****Income Tax Computation**

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$243,250	\$507,033
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$15,763	\$32,552
Tax Multiplier (Schedule 5A)	<u>5.855</u>	<u>12.090</u>
Income Required before Income Taxes	\$21,617	\$44,642
Less: NH Business Profits Tax @ 7.7%	<u>1,665</u>	<u>3,437</u>
Income subject to Federal Taxes	\$19,953	\$41,204
Less: Federal Income Tax @ 21%	<u>4,190</u>	<u>8,653</u>
Income after Income Taxes	<u>\$15,763</u>	<u>\$32,552</u>

AWC White Rock Water**Schedule 1c****Effective Tax Factor**

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC White Rock Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

**AWC White Rock Water
Rate Base - Water Proforma Adjustments**

Schedule 3A

Page 1 of 3

Plant in Service

1	December 2019 Balance	\$ 581,320
	5 Quarters Average Year End Balance	<u>571,940</u>
	Proforma Adjustment	<u>\$ 9,380</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2019 additions to plant	\$ 750,417
	December 2019 Balance	<u>581,320</u>
	Proforma Adjustment	<u>\$ 169,097</u>
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
	Total Proforma Adjustments to Plant in Service	<u>\$ 178,477</u>

Accumulated Depreciation and Amortization

3	December 2019 Balance	\$ 258,637
	5 Quarters Average Year End Balance	<u>248,603</u>
	Proforma Adjustment	<u>\$ 10,034</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
4	Proforma Year End Balance with add'l depr	\$ 259,472
	December 2019 Balance	<u>258,637</u>
	Proforma Adjustment	<u>\$ 835</u>
	To adjust test year year end balance of plant in service for add'l half year for 2019 additions.	
5	Proforma Year End Balance with add'l depr on 2020 additions	\$ 262,010
	December 2019 Balance	<u>259,472</u>
	Proforma Adjustment	<u>\$ 2,538</u>
	To adjust test year year end balance of plant in service for add'l half year for 2020 additions.	
	Total Proforma Adjustments to Accumulated Depreciation	<u>\$ 13,408</u>

Miscellaneous Deferred Debits

6	Proforma Year End Balance with 2018 and 2019 water outages	\$ 115,714
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 115,714</u>
	To adjust test year year end balance of miscellaneous deferred debots for 2028 and 2019 water outages	
	Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 115,714</u>

Amortization of Miscellaneous Deferred Debits

7	Proforma Year End Balance with add'l depr on 2020 additions	\$ 7,190
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 7,190</u>
	To adjust test year year end balance of half year amortization of misc def debits	
	Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ 7,190</u>

Contribution in Aid of Construction

8	Proforma Year End Balance	\$ (143,900)
	5 Quarters Average Year End Balance	<u>(143,900)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarters average test year to year end balance	
9	Proforma Year End Balance plus ... grant	\$ (151,900)
	Proforma Year End Balance	<u>(143,900)</u>
	Proforma Adjustment	<u>\$ (8,000)</u>
	To adjust proforma year end balance for 2020 ... grant	
	Total Proforma Adjustments to CIAC	<u>\$ (8,000)</u>

Accumulated Amortization of CIAC

10	Proforma Year End Balance	\$ 74,516
	5 Quarters Average Year End Balance	<u>71,946</u>
	Proforma Adjustment	<u>\$ 2,570</u>
	To adjust 5 quarter average test year to year end balance	
11	Proforma Year End Balance plus amortization of grant	\$ 75,316
	Proforma Year End Balance	<u>74,516</u>
	Proforma Adjustment	<u>\$ 800</u>
	To adjust proforma year end balance for 2020 ... grant	
	Total Proforma Adjustments to Accumulated Amortization of CIAC	<u>\$ 3,370</u>

Accumulated Deferred Income Taxes

12	Proforma Year End Balance	\$ (23,500)
	5 Quarters Average Year End Balance	<u>(18,249)</u>
	Proforma Adjustment	<u>\$ (5,251)</u>
	To adjust 5 quarter average test year to year end balance	

Cash Working Capital

13	Year End Proforma Balance	\$ 10,186
	Average Year End Balance	<u>10,115</u>
	Proforma Adjustment	<u>\$ 72</u>
	To adjust test year cash working capital balance	
	For additional support, please see schedule 3D.	

AWC White Rock Water
Schedule 3B
Plant / Accumulated Depreciation / Depreciation Expense
Plant Placed in Service in 2019

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
311	Pumping Equipment		10.00%		
320	Treatment Equipment	1,321	3.60%	48	24
333	Services	6,087	2.50%	152	76
334	Purchase & Installation of Meters	254	5.00%	13	6
346	Communication Equipment		14.29%	-	-
347	Remote Access Software	14,445	10.00%	1,445	729
	TOTAL	\$ 22,107		\$ 1,657	\$ 835

2020 NH DWSRF Improvements

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
304	Water Treatment Structures	\$ -	2.50%	\$ -	\$ -
307	Wells	-	3.33%	-	-
309	Supply Mains	-	2.00%	-	-
311	Instrumentation and Equipment	-	10.00%	-	-
330	Water Tank Lining	50,000	2.50%	1,250	625
331	Distribution Valves - 4 valves	45,000	2.00%	900	450
331	Distribution Valves - 2 PRVs	30,000	2.00%	600	300
	TOTAL	\$ 125,000		\$ 2,750	\$ 1,375
	Other Plant Placed in Service in 2020				
311	Pumping Equipment - Well pump #1, motor & piping	\$ 8,251	10.00%	\$ 825	\$ 413
330	Distribution Reservoirs and Standpipes	14,210	2.00%	284	142
333	Services	11,503	2.50%	288	144
334	Purchase & Installation of Meters	1,680	5.00%	84	42
347	Computer Equipment - Distribution Plans	8,453	10.00%	845	423
	TOTAL	\$ 169,097		\$ 5,076	\$ 2,538

State Utility Property Taxes and Town of Bow Property Taxes
State Utility Property Taxes

Total Increase in Plant	\$ 169,097
Total Increase in Accum Depr & Amort	2,538
Net Total Increase in Plant	<u>\$ 166,559</u>
Total Increase in Plant per Thousands	\$ 166.56
Tax Value as % of Net Book Value	78.34%
State Utility Property Tax Rate	6.60
Total Increase in State Utility Property Taxes	<u>\$ 861</u>

Town of Bow Property Taxes

Total Increase in Plant	\$ 169,097
Total Increase in Accum Depr & Amort	2,538
Net Total Increase in Plant	<u>\$ 166,559</u>
Total Increase in Plant per Thousands	\$ 166.56
Tax Value as % of Net Book Value	78.34%
Town of Bow Property Tax Rate	26.21
Total State Utility and Town of Bow Property Taxes	<u>\$ 3,420</u>

NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	<u>1,660,290</u>
Percent of assessed value to net plant	78.34%

AWC White Rock Water
Schedule 3C
Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
186	2018 Water Outage - 1/18	\$ 18,749	10.00%	\$ 1,875	\$ 937
186	2019 Water Outage - 1/19	13,164	10.00%	1,316	658
186	2019 Water Outage - 8/19	55,712	10.00%	5,571	2,786
	Total Water Outages	87,625		8,763	4,381
186	2019 Tax Rate Effect Change	1,577	20.00%	315	158
186	2019 / 2020 Tank Inspection	26,512	20.00%	5,302	2,651
				-	-
	TOTAL	\$ 115,714		\$ 14,380	\$ 7,190

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
186	2019 / 2020 Tank Inspection	\$ 8,000	20.00%	\$ 1,600	\$ 800
	TOTAL	\$ 8,000		\$ 1,600	\$ 800

AWC White Rock Water

Schedule 3D

Working Capital - Water

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$82,615	\$82,034
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$10,186</u>	<u>\$10,115</u>

AWC White Rock Water

Schedule 4

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

AWC Tioga Gilford Village Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 119,913	\$ 145,202
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 9,365	\$ 11,544
Actual Net Operating Income (Schedule 1)	<u>(23,844)</u>	<u>11,544</u>
Operating Income (Deficiency) Surplus	\$ (33,209)	\$ 0
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (33,209)</u>	<u>\$ 0</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 12 mos Ended 4/30/20 (b)	Proforma Adjustments (c)	Adjusted 12 mos Ended 4/30/20 (d)	Actual 12 mos Ended 4/30/19 (e)	Actual 12 mos Ended 4/30/18 (f)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 28,833	\$ 47,942	\$ 76,775		
2	Operating Expenses:					
3	Operating and Maintenance Expense (401):					
4	Source of Supply					
5	Pumping Expenses	12,719		12,719		
6	Water Treatment Expense	1,454		1,454		
7	T&D Expenses	5,370		5,370		
8	Customer Expense	4,443		4,443		
9	Administrative & General Expense	23,182	843	24,025		
10	Total Operating and Maintenance Expense	47,168	843	48,011		
11	Depreciation Expense (403)	12,054	886	12,940		
12	Amortization of Contribution in Aid of Construction (405)	(2,710)		(2,710)		
13	Amortization of Utility Plant Acquisition Adjustment (406)					
14	Amortization Expense-Other (407)		2,232	2,232		
15	Taxes Other Than Income (408.1-408.13)	1,165	1,031	2,196		
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	(5,000)	7,562	2,562		
17	Total Operating Expenses	\$ 52,677	\$ 12,554	\$ 65,231		
18	Net Operating Income (Loss)	(23,844)	35,388	11,544		
19	Other Income and Deductions					
20	Interest and Dividend Income (419)					
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(756)	(378)	(1,134)		
26	Amortization of Debt Expense (428)		-	-		
27	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
28	Total Other Income and Deductions	\$ (756)	\$ (378)	\$ (1,134)		
29	NET INCOME (LOSS)	\$ (24,600)	\$ 35,010	\$ 10,410		

Note: 12 months ended 4/30/19 and 4/30/18 were prior to AWC's ownership of TGV.

**AWC Tioga Gilford Village Water
Statement of Income - Water Proforma Adjustments**

Schedule 1A

Page 1 of 3

1 Operating Revenues

Proforma 2019 Year End Balance	\$ 76,775
Actual 2019 Year End Balance	<u>28,833</u>
Proforma Adjustment	<u>\$ 47,942</u>

To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.

Total Proforma Adjustment to Operating Revenues	<u>\$ 47,942</u>
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Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$ 23,525
2019 Year End Balance	<u>23,182</u>
Proforma Adjustment	<u>\$ 343</u>

To adjust test year expenses for increase in office lease expense (\$805.54 - \$463.00)

3 PUC Audit

Proforma 2019 Year End Balance	\$ 500
Annualized 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 500</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ 843</u>
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Depreciation Expenses

4 Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additions	\$ 12,840
Actual 2019 Year End Balance	<u>12,054</u>
Proforma Adjustment	<u>\$ 786</u>

To adjust test year depreciation expenses for an additional half year depreciation on 2019 additions

5	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ 12,940
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>12,840</u>
	Proforma Adjustment	<u>\$ 100</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$886</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (2,710)
	Actual 2019 Year End Balance	<u>(2,710)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for correct amortization	
7	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ (2,710)
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>(2,710)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ -</u>
	Please see schedule 3B for more support.	

Amortization of Organizational Costs

8	Proforma 2019 Year End Balance	\$ 2,232
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 2,232</u>
	To adjust test year expenses for the amortization of org. costs over 10 years	

Taxes other than Income

State of New Hampshire

9	Actual 2019 Year End Balance adjusted for state utility property taxes	\$673
	Actual 2019 Year End Balance	<u>673</u>

Proforma Adjustment	\$ -
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Town of Gilford

10 Actual 2019 Year End Balance adjusted for Town of Gilford Prop. Taxes	\$ 1,523
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Actual 2019 Year End Balance	<u>492</u>
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Proforma Adjustment	<u>\$ 1,031</u>
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Total Proforma Adjustments to Taxes other than Income	<u>\$ 1,031</u>
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Income Taxes

Federal Income Taxes

11 Proforma 2019 Year End Balance	\$ 2,478
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Actual 2019 Year End Balance	<u>(2,900)</u>
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Proforma Adjustment	<u>\$ 5,378</u>
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To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see Schedule 1b.

Provision for Deferred Taxes

12 Proforma 2019 Year End Balance	\$ (900)
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Actual 2019 Year End Balance	<u>(900)</u>
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Proforma Adjustment	<u>\$ -</u>
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To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see schedule 1b.

State Business Taxes

13 Proforma 2019 Year End Balance	\$ 984
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Actual 2019 Year End Balance	(1,200)
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Proforma Adjustment	<u>\$ 2,184</u>
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To adjust test year expenses for the increase in state business taxes due to the increase in revenue. For additional support, please see schedule 5.

Total Proforma Adjustments to Income Taxes	<u>\$ 7,562</u>
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AWC Tioga Gilford Village Water**Schedule 1b****Income Tax Computation**

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$119,913	\$145,202
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$7,770	\$9,322
Tax Multiplier (Schedule 5A)	<u>2,886</u>	<u>3,462</u>
Income Required before Income Taxes	\$10,656	\$12,784
Less: NH Business Profits Tax @ 7.7%	<u>821</u>	<u>984</u>
Income subject to Federal Taxes	\$9,836	\$11,800
Less: Federal Income Tax @ 21%	<u>2,066</u>	<u>2,478</u>
Income after Income Taxes	<u>\$7,770</u>	<u>\$9,322</u>

AWC Tioga Gilford Village Water**Schedule 1c****Effective Tax Factor**

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Tioga Gilford Village Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

AWC Tioga Gilford Village Water

Schedule 3

Rate Base - Water

Line No.	Account Title (a)	December 2018 Balance(2) (b)	March 2019 Balance(2) (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$243,155	\$243,155	\$243,155	\$226,436	\$231,464	\$237,473	\$28,923	\$266,396
2	Less: Accumulated Depreciation	87,174	87,174	87,174	90,194	94,776	89,298	7,426	96,725
3	Net Utility Plant	155,981	155,981	155,981	136,242	136,688	148,175	21,497	169,671
4	Material and Supplies	0	0	0	0	0	0	0	0
5	Contribution in Aid of Construction - Net	(79,205)	(79,205)	(79,205)	(79,205)	(79,205)	(79,205)	0	(79,205)
6	Accumulated Amortization of CIAC	44,206	44,206	44,206	44,206	46,916	44,748	2,168	46,916
7	Accumulated Deferred Income Taxes					1,900	380	1,520	1,900
8	Rate Base	\$120,982	\$120,982	\$120,982	\$101,243	\$106,299	\$114,098	\$25,185	\$139,282
9	Cash Working Capital (1)						5,816	104	5,920
10	Total Rate Base						\$ 119,913	\$ 25,289	\$ 145,202
(1) Cash Working Capital Average Year End Balance is the same as the December 2019 Balance.									
(2) December 2018 and March 2019 Balances are assumed to be the same as June 2019 Balance.									

**AWC Tioga Gilford Village Water
Rate Base - Water Proforma Adjustments**

Schedule 3A

Page 1 of 3

Plant in Service

1	December 2019 Balance	\$ 231,464
	5 Quarters Average Year End Balance	<u>237,473</u>
	Proforma Adjustment	\$ <u>(6,009)</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2019 additions to plant	\$ 232,935
	December 2019 Balance	<u>231,464</u>
	Proforma Adjustment	\$ <u>1,471</u>
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
3	Proforma Year End Balance with 2019 additions and organization costs	\$ 266,396
	Proforma Year End Balance with 2019 additions to plant	<u>232,935</u>
	Proforma Adjustment	\$ <u>33,461</u>
	To adjust test year year end balance of plant in service for 2019 capital additions and org. costs For additional support, please see schedule 3B	
	Total Proforma Adjustments to Plant in Service	\$ <u>28,923</u>

Accumulated Depreciation and Amortization

4	December 2019 Balance	\$ 94,776
	5 Quarters Average Year End Balance	<u>89,298</u>
	Proforma Adjustment	\$ <u>5,478</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
5	Proforma year End Balance with add'l depr	\$ 95,559
	December 2019 Balance	<u>94,776</u>
	Proforma Adjustment	\$ <u>783</u>

To adjust test year year end balance of plant in service for add'l half year for 2019 additions.

6	Proforma Year End Balance with add'l depr for 2020 additions to plant	\$ 95,609
	Proforma Year End Balance with add'l depr	<u>95,559</u>
	Proforma Adjustment	<u>\$ 50</u>

To adjust test year year end balance of plant in service for 2019 amortization of organizational costs
For additional support, please see schedule 3B

7	Proforma Year End Balance with add'l depr and amort of org costs	\$ 96,675
	Proforma Year End Balance with add'l depr	<u>95,559</u>
	Proforma Adjustment	<u>\$ 1,116</u>

To adjust test year year end balance of plant in service for 2019 amortization of organizational costs
For additional support, please see schedule 3B

	Proforma Year End Balance with add'l depr on 2020 additions	<u>\$ 7,426</u>
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Contribution in Aid of Construction

8	Proforma Year End Balance	\$ (79,205)
	5 Quarters Average Year End Balance	<u>(79,205)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust 5 quarters average test year to year end balance

9	Proforma Year End Balance with 2019 additions to plant	\$ (79,205)
	December 2019 Balance	<u>(79,205)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.

	Total Proforma Adjustments to Plant in Service	<u>\$ -</u>
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Accumulated Amortization of CIAC

10	Proforma Year End Balance	\$ 46,916
	5 Quarters Average year End Balance	<u>44,748</u>
	Proforma Adjustment	<u>\$ 2,168</u>

To adjust 5 quarters average test year to year end balance

Page 3 of 3

11	Proforma Year End Balance with add'l amort	\$ 46,916
	December 2019 Balance	<u>46,916</u>
	Proforma Adjustment	\$ <u>-</u>
	To adjust test year year end balance of CIAC for add'l half year for 2020 additions.	
	Total Proforma Adjustments to Accumulated Amortization of CIAC	\$ <u>2,168</u>

Accumulated Deferred Income Taxes

12	December 2019 Balance	\$ 1,900
	5 Quarters Average Year End Balance	<u>380</u>
	Proforma Adjustment	\$ <u>1,520</u>

To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant

Cash Working Capital

13	Year End Proforma Balance	\$ 5,920
	Average Year End Balance	<u>5,816</u>
	Proforma Adjustment	\$ <u>104</u>

To adjust test year cash working capital balance
For additional support, please see schedule 3C

AWC Tioga Gilford Village Water
Schedule 3B
Plant / Accumulated Depreciation / Depreciation Expense
Plant put in service in 2019

PUC				
Acct. No.	Description	Cost	Depr. Rate	Annual Cost Accum Depr.
311	Pumping Equipment		10.00%	
333	Services	808	2.50%	20 10
334	Purchase & Installation of Meters	30,907	5.00%	1,545 773
346	Communication Equipment		14.29%	- -
347	Remote Access Software		20.00%	
TOTAL		\$ 31,715		\$ 1,566 \$ 783

Plant to be put in service in 2020

PUC				
Acct. No.	Description	Cost	Depr. Rate	Annual Cost Accum Depr.
330	Water Tank		2.50%	- -
331	Mains		2.00%	- -
333	Services	569	2.50%	14 7
334	Purchase & Installation of Meters	84	5.00%	4 2
347	Computer Equipment - Distribution Plans	818	10.00%	82 41
TOTAL		\$ 1,471		\$ 100 \$ 50

To reclass Due Diligence Costs to Organizational Costs

PUC				
Acct. No.	Description	Cost	Amort. Rate	Annual Cost Accum Amort
301	Organizational costs	\$ 33,461	6.67%	\$ 2,232 \$ 1,116

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

PUC				
Acct. No.	Description	Cost	Depr. Rate	Annual Cost Accum Depr.
330	Water Tank		2.50%	- -
331	Mains - 6 gate valves		2.00%	- -
TOTAL		\$ -		\$ - \$ -

State Utility Property Taxes and Town of Gilford Property Taxes
State Utility Property Taxes

Total Increase in Plant	\$ 34,932
Total Increase in Accum Depr & Amort	1,166
Net Total Increase in Plant	\$ 33,766
Total Increase in Plant per Thousands	\$ 33.77
Tax Value as % of Net Book Value	78.34%
State Utility Property Tax Rate	6.60
Total Increase in State Utility Property Taxes	\$ 175

Town of Gilford Property Taxes

Total Increase in Plant	\$ 34,932
Total Increase in Accum Depr & Amort	1,166
Net Total Increase in Plant	\$ 33,766
Total Increase in Plant per Thousands	\$ 33.77
Tax Value as % of Net Book Value	78.34%
Town of Gilford Property Tax Rate	13.98
Total Increase in Town of Gilford Property Taxes	\$ 370

Total State Utility and Town of Gilford Property Taxes	\$ 544
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NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	1,660,290
Percent of assessed value to net plant	78.34%

AWC Tioga Gilford Village Water

Schedule 3C

Working Capital - Water

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$48,011	\$47,168
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$5,920</u>	<u>\$5,816</u>

AWC Tioga Gilford Village Water

Schedule 4

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

AWC Tioga Belmont Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 72,615	\$ 199,606
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 5,671	\$ 15,869
Annualized Net Operating Income (Schedule 1)	<u>(31,418)</u>	<u>15,869</u>
Operating Income (Deficiency) Surplus	\$ (37,089)	\$ 0
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (37,089)</u>	<u>\$ 0</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 12 mos Ended 4/30/20 (b)	Proforma Adjustments (c)	Adjusted 12 mos Ended 4/30/20 (d)	Actual 12 mos Ended 4/30/19 (e)	Actual 12 mos Ended 4/30/18 (f)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 18,346	\$ 78,403	\$ 96,749		
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)					
4	Source of Supply			-		
5	Pumping Expenses	13,811		13,811		
6	Water Treatment Expense	2,603		2,603		
7	T&D Expenses	6,914		6,914		
8	Customer Expense	3,675		3,675		
9	Administrative & General Expense	23,927	679	24,606		
10	Total Operating and Maintenance Expense	50,930	679	51,609		
11	Depreciation Expense (403)	7,775	1,752	9,527		
12	Amortization of Contribution in Aid of Construction (405)	(2,314)	60	(2,254)		
13	Amortization of Utility Plant Acquisition Adjustment (406)					
14	Amortization Expense-Other (407)		5,335	5,335		
15	Taxes Other Than Income (408.1-408.13)	973	11,430	12,403		
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	(7,600)	11,860	4,260		
17	Total Operating Expenses	\$ 49,764	\$ 31,116	\$ 80,880		
18	Net Operating Income (Loss)	(31,418)	47,287	15,869		
19	Other Income and Deductions					
20	Interest and Dividend Income (419)					
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(718)		(718)		
26	Amortization of Debt Expense (428)			-		
27	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
28	Total Other Income and Deductions	\$ (718)	\$ -	\$ (718)		
29	NET INCOME (LOSS)	\$ (32,136)	\$ 47,287	\$ 15,151		

Note: 12 months ended 4/30/19 and 4/30/18 were prior to AWC's ownership of TB.

**AWC Tioga Belmont Water
Statement of Income - Water Proforma Adjustments**

Schedule 1A
Page 1 of 3

1 Operating Revenues

Proforma 2019 Year End Balance	\$ 96,749
Actual 2019 Year End Balance	<u>18,346</u>
Proforma Adjustment	<u>\$ 78,403</u>

To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.

Total Proforma Adjustment to Operating Revenues	<u>\$ 78,403</u>
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Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$24,106
2019 Year End Balance	<u>23,927</u>
Proforma Adjustment	<u>\$ 179</u>

To adjust test year expenses for increase in office lease expense (\$454.40 - \$275.00)

3 PUC Audit

Proforma 2019 Year End Balance	\$ 500
Annualized 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 500</u>

To adjust test year expenses for \$3,250 (\$13,000 x 25%) of the auditing costs and for \$832 (\$3,328 x 25%) of accounting costs

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ 679</u>
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Depreciation Expenses

4 Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additions	\$ 7,986
Actual 2019 Year End Balance	<u>7,775</u>
Proforma Adjustment	<u>\$ 211</u>

To adjust test year depreciation expenses for an additional half year depreciation on 2019 additions

5	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ 9,527
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>7,986</u>
	Proforma Adjustment	<u>\$ 1,541</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ 1,752</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (2,314)
	Actual 2019 Year End Balance	<u>(2,314)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for correct amortization	
7	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ (2,254)
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>(2,314)</u>
	Proforma Adjustment	<u>\$ 60</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ 60</u>
	Please see schedule 3B for more support.	

Amortization of Organizational Costs / Miscellaneous Deferred Debits

8	Proforma 2019 Year End Balance	\$ 2,146
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 2,146</u>
	To adjust test year expenses for the amortization of org. costs over 10 years	
	Proforma 2019 Year End Balance	\$ 3,189
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 3,189</u>
	To adjust test year expenses for the amortization of misc def drs over 5 years	
	Total Amortization Expense	<u>\$ 5,335</u>

Taxes other than Income**State of New Hampshire**

9	Actual 2019 Year End Balance adjusted for state utility property taxes	\$ 673
	Actual 2019 Year End Balance	<u>673</u>
	Proforma Adjustment	<u>\$ -</u>

Town of Belmont

10	Actual 2019 Year End Balance adjusted for Town of Belmont Prop. Taxes	\$ 11,730
	Actual 2019 Year End Balance	<u>300</u>
	Proforma Adjustment	<u>\$ 11,430</u>
	Total Proforma Adjustments to Taxes other than Income	<u>\$ 11,430</u>

Income TaxesFederal Income Taxes

11	Proforma 2019 Year End Balance	\$ 3,406
	Actual 2019 Year End Balance	<u>(5,100)</u>
	Proforma Adjustment	<u>\$ 8,506</u>

To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see schedule 1b.

State Business Taxes

12	Proforma 2019 Year End Balance	\$ 1,353
	Actual 2019 Year End Balance	<u>(2,000)</u>
	Proforma Adjustment	<u>\$ 3,353</u>

To adjust test year expenses for the increase in state business taxes due to the increase in revenue. For additional support, please see schedule 1b.

Provision for Deferred Taxes

13	Proforma 2019 Year End Balance	\$ (500)
	Actual 2019 Year End Balance	<u>(500)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for the increase in the provision for deferred taxes due to increases in

	Total Proforma Adjustments to Income Taxes	<u>\$ 11,860</u>
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AWC Tioga Belmont Water**Schedule 1B****Income Tax Computation**

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$ 72,615	\$ 199,606
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$ 4,705	\$ 12,815
Tax Multiplier (Schedule 5A)	<u>1,748</u>	<u>4,760</u>
Income Required before Income Taxes	\$ 6,453	\$ 17,574
Less: NH Business Profits Tax @ 7.7%	<u>497</u>	<u>1,353</u>
Income subject to Federal Taxes	\$ 5,956	\$ 16,221
Less: Federal Income Tax @ 21%	<u>1,251</u>	<u>3,406</u>
Income after Income Taxes	<u>\$ 4,705</u>	<u>\$ 12,815</u>

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

Balance Sheet

See Abenaki Water Company Balance Sheet.

Schedule 3

[illegible]

**AWC Tioga Belmont Water
Rate Base - Water Proforma Adjustments**

Schedule 3A

Page 1 of 4

Plant in Service

1	December 2019 Balance	\$ 187,536
	5 Quarters Average Year End Balance	<u>171,201</u>
	Proforma Adjustment	<u>\$ 16,335</u>

To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant

2	Proforma Year End Balance with 2019 additions to plant	\$ 241,038
	December 2019 Balance	<u>187,536</u>
	Proforma Adjustment	<u>\$ 53,502</u>

To adjust December 2019 Balance for 2020 additions to plant

3	Proforma Year End Balance with 2019 additions and organization costs	\$ 273,213
	Proforma Year End Balance with 2019 additions to plant	<u>241,038</u>
	Proforma Adjustment	<u>\$ 32,175</u>

To adjust test year year end balance of plant in service for 2020 capital additions and org. costs
For additional support, please see schedule 3B

To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.

Total Proforma Adjustments to Plant in Service	<u>\$102,012</u>
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Accumulated Depreciation and Amortization

4	December 2019 Balance	\$ 74,829
	5 Quarters Average Year End Balance	<u>71,872</u>
	Proforma Adjustment	<u>\$ 2,957</u>

To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr

5	Proforma Year End Balance with add'l depr	\$ 75,040
	December 2019 Balance	<u>74,829</u>
	Proforma Adjustment	<u>\$ 211</u>

To adjust test year year end balance of plant in service for add'l half year for 2019 additions.

December 2019 Balance

Page 2 of 4

6	Proforma Year End Balance with add'l depr for 2020 additions	\$ 75,811
	Proforma Year End Balance with add'l depr	<u>75,040</u>
	Proforma Adjustment	<u>\$ 771</u>

To adjust test year year end balance of plant in service for add'l half year for 2020 additions.
December 2019 Balance

7	Proforma Year End Balance with add'l depr and amort of org costs	\$ 76,884
	Proforma Year End Balance with add'l depr	<u>75,811</u>
	Proforma Adjustment	<u>\$ 1,073</u>

To adjust test year year end balance of plant in service for 2020 amortization of organizational costs
For additional support, please see schedule 3B

Proforma Adjustment	<u>\$ 5,012</u>
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To adjust test year year end balance of plant in service for add'l half year for 2020 additions.

Materials & Supplies

8	December 2019 Balance	\$ 2,371
	5 Quarters Average Year End Balance	<u>470</u>
	Proforma Adjustment	<u>\$ 1,901</u>

To adjust test year 5 quarters average plant in service to eliminate all M&S.

Miscellaneous Deferred Debits

9	Proforma Year End Balance with 2018 and 2019 water outages	\$ 31,890
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 31,890</u>

To adjust test year year end balance of miscellaneous deferred debots for 2019
main break and water purchases

Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 31,890</u>
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Amortization of Miscellaneous Deferred Debits

10	Proforma Year End Balance with add'l amort exp	\$ (1,595)
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ (1,595)</u>
	To adjust test year year end balance of half year amortization of misc def debits	
	Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ (1,595)</u>

Contribution in Aid of Construction

11	Proforma Year End Balance	\$ (61,894)
	5 Quarters Average Year End Balance	<u>(61,894)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarters average test year to year end balance	
12	Proforma Year End Balance with 2019 additions to plant	\$ (56,894)
	December 2019 Balance	<u>(61,894)</u>
	Proforma Adjustment	<u>\$ 5,000</u>
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
	Total Proforma Adjustments to Plant in Service	<u>\$ 5,000</u>

Accumulated Amortization of CIAC

13	Proforma Year End Balance	\$ 30,081
	5 Quarters Average Year End Balance	<u>28,230</u>
	Proforma Adjustment	<u>\$ 1,851</u>
	To adjust 5 quarters test year to year end balance	
14	Proforma Year End Balance with add'l amort	\$ 30,141
	December 2019 Balance	<u>30,081</u>

Proforma Adjustment	\$ 60
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To adjust test year year end balance of CIAC for add'l half year for 2020 additions.

Total Proforma Adjustments to Accumulated Amortization of CIAC	\$ 1,911
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Page 4 of 4

Accumulated Deferred Income Taxes

15 December 2019 Balance	\$ 1,000
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5 Quarters Average Year End Balance	200
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Proforma Adjustment	\$ 800
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To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant

Cash Working Capital

16 Year End Proforma Balance	\$ 6,363
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Average Year End Balance	6,280
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Proforma Adjustment	\$ 84
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To adjust test year cash working capital balance
For additional support, please see schedule 3C

AWC Tioga Belmont Water
Schedule 3B
Plant / Accumulated Depreciation / Depreciation Expense
Plant put in service in 2019

PUC				
Acct. No.	Description	Cost	Depr. Rate	Annual Cost Accum Depr.
311	Pumping Equipment		10.00%	
333	Services	325	2.50%	8 4
334	Purchase & Installation of Meters	8,157	5.00%	408 204
346	Communication Equipment		14.29%	-
347	Remote Access Software	30	20.00%	6 3
	TOTAL	\$ 8,512		\$ 422 \$ 211

2020 NH DWGTF Improvements

PUC				
Acct. No.	Description	Cost	Depr. Rate	Annual Cost Accum Depr.
330	Water Tank	38,210	2.50%	955 478
331	Mains - 6 gate valves	11,790	2.00%	236 118
	TOTAL 2020 NH DWGTF Improvements	\$ 50,000		\$ 1,191 \$ 596
347	Computer Equipment - Distribution Plans	3,502	10.00%	350 175
	TOTAL	\$ 53,502		\$ 1,541 \$ 771

To reclass Due Diligence Costs to Organizational Costs

PUC				
Acct. No.	Description	Cost	Amort. Rate	Annual Cost Accum Amort
301	Organizational costs	\$ 32,175	6.67%	\$ 2,146 \$ 1,073

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC
2020 NH DWGTF Improvements

PUC				
Acct. No.	Description	Cost	Depr. Rate	Annual Costs Accum Depr
330	Water Tank	3,821	2.50%	96 48
331	Mains - 6 gate valves	1,179	2.00%	24 12
	TOTAL	\$ 5,000		\$ 119 \$ 60

State Utility Property Taxes and Town of Belmont Property Taxes
State Utility Property Taxes

Total Increase in Plant	\$ 85,677
Total Increase in Accum Depr & Amort	1,844
Net Total Increase in Plant	\$ 83,833
Total Increase in Plant per Thousands	\$ 83.83
Tax Value as % of Net Book Value	78.34%
State Utility Property Tax Rate	6.60
Total Increase in State Utility Property Taxes	\$ 433

Town of Belmont Property Taxes

Total Increase in Plant	\$ 85,677
Total Increase in Accum Depr & Amort	1,844
Net Total Increase in Plant	\$ 83,833
Total Increase in Plant per Thousands	\$ 83.83
Tax Value as % of Net Book Value	78.34%
Town of Belmont Property Tax Rate	23.12
Total Increase in Town of Belmont Property Taxes	\$ 1,518

Total State Utility and Town of Belmont Property Taxes	\$ 1,952
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NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	1,660,290

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
183	PS&I for repairs of Main Break	\$ 20,051	10.00%	\$ 2,005	\$ 1,003
186	Bulk Water Delivery for Water Main Break	11,839	10.00%	1,184	592
	TOTAL	<u>\$ 31,890</u>		<u>\$ 3,189</u>	<u>\$ 1,595</u>

AWC Tioga Belmont Water

Schedule 3D

Working Capital - Water

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$51,609	\$50,930
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$ 6,363</u>	<u>\$ 6,280</u>

AWC Tioga Belmont Water

Schedule 4

Page 1 of 2

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

AWC Combined Water (Lakeland, White Rock, Tioga Gilford Village and Tioga Belmont)
Computation of Revenue Deficiency - Water
For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 734,721	\$ 1,153,159
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 57,382	\$ 91,676
Net Operating Income (Schedule 1)	<u>(43,079)</u>	<u>91,676</u>
Operating Income (Deficiency) Surplus	\$ (100,461)	\$ 0
Tax Effect	<u></u>	<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (100,461)</u>	<u>\$ 0</u>

AWC Combined Water (Lakeland, White Rock, Tioga Gilford Village and Tioga Belmont)

Statement of Income - Water

Schedule 1

Line No.	Account Title (Number) (a)	LL Water Actual 2019 Year End Balance (b)	WR Actual 2019 Year End Balance (c)	TGV Actual 12 Months 4/30/20 Balance (d)	TB Actual 12 Months 4/30/20 Balance (e)	Combined Actual Year End Balance (f)	Proforma Adjustment	Combined Proforma Balance
	UTILITY OPERATING INCOME							
1	Operating Revenues(400)	\$ 122,737	\$82,211	\$ 28,833	\$ 18,346	\$ 252,127	\$ 222,753	\$ 474,880
2	Operating Expenses:							
3	Operating and Maintenance Expense (401):							
4	Source of Supply	-	-	-	-	-	-	-
5	Pumping Expenses	12,546	27,698	12,719	13,811	66,774		66,774
6	Water Treatment Expense	7,633	2,653	1,454	2,603	14,343		14,343
7	T&D Expenses	2,746	3,693	5,370	6,914	18,723		18,723
8	Customer Expense	3,384	7,068	4,443	3,675	18,570		18,570
9	Administrative & General Expense	27,537	40,922	23,182	23,927	115,568	2,663	118,231
10	Total Operating and Maintenance Expense	53,846	82,034	47,168	50,930	233,978	2,663	236,641
11	Depreciation Expense (403)	22,279	19,061	12,054	7,775	61,169	9,574	70,743
12	Amortization of Contribution in Aid of Construction (405)	(1,419)	(5,139)	(2,710)	(2,314.00)	(11,582)	(1,540)	(13,122)
13	Amortization of Utility Plant Acquisition Adjustment (406)	1,644	1,091			2,735		2,735
14	Amortization Expense-Other (407)						22,937	22,937
15	Taxes Other Than Income (408.1-408.13)	9,510	9,789	1,165	973	21,437	16,900	38,337
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	7,269	(7,200)	(5,000)	(7,600)	(12,531)	37,464	24,933
17	Total Operating Expenses	\$ 93,129	\$ 99,636	\$ 52,677	\$ 49,764	\$ 295,206	\$ 87,998	\$ 383,204
18	Net Operating Income (Loss)	29,608	(17,425)	(23,844)	(31,418)	(43,079)	\$ 134,755	91,676
19	Other Income and Deductions							
20	Interest and Dividend Income (419)	1,161	429			1,590		1,590
21	Allow. for funds Used During Construction (420)							
22	Nonutility Income (421)							
23	Gains (Losses) From Disposition of Nonutility Property (421)							
24	Miscellaneous Nonutility Expenses (426)							
25	Interest Expense (427)	(6,322)	(2,537)	(756)	(718)	(10,333)	(378)	(10,711)
26	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)							
27	Total Other Income and Deductions	\$ (5,161)	\$ (2,108)	\$ (756)	\$ (718)	\$ (8,743)	\$ (378)	\$ (9,121)
28	NET INCOME (LOSS)	\$ 24,447	\$ (19,533)	\$ (24,600)	\$ (32,136)	\$ (51,822)	\$ 134,377	\$ 82,555

AWC Combined Water (Lakeland, White Rock, Tioga Gilford Village and Tioga Belmont)

Rate Base - Water

Schedule 3

Line No.	Account Title (a)	LL Water 5 Qtrs Avg Year End Balance (b)	WR 5 Qtrs Avg Year End Balance (c)	TGV 5 Qtrs Avg Year End Balance (d)	TB 5 Qtrs Avg Year End Balance (e)	Combined December 2019 Balance (f)	Proforma Adjustments (h)	Combined Proforma Year End Balance (i)
1	Plant in Service	\$ 681,800	\$ 571,940	\$ 237,473	\$ 171,201	\$ 1,662,414	\$ 315,977	\$ 1,978,391
2	Less: Accumulated Depreciation	305,957	248,603	89,298	71,872	715,730	34,378	750,108
3	Net Utility Plant	\$ 375,843	\$ 323,337	\$ 148,175	\$ 99,329	\$ 946,684	\$ 281,599	\$ 1,228,283
4	Material and Supplies	7,316			470	7,786	1,901	9,687
5	Miscellaneous Deferred Debits						156,053	156,053
6	Accum Amort of Misc Def DRs						(9,280)	(9,280)
7	Contribution in Aid of Construction	(43,052)	(143,900)	(79,205)	(61,894)	(328,051)	(13,000)	(341,051)
8	Accumulated Amortization of CIAC	12,789	71,946	44,748	28,230	157,713	8,159	165,872
9	Accumulated Deferred Income Taxes	(60,592)	(18,249)	380	200	(78,261)	(7,323)	(85,584)
10	Rate Base	\$ 292,304	\$ 233,134	\$ 114,098	\$ 66,335	\$ 705,871	\$ 418,109	\$ 1,123,980
11	Cash Working Capital (1)	6,639	10,115	5,816	6,280	28,850	329	29,179
12	Total Rate Base	\$ 298,943	\$ 243,249	\$ 119,914	\$ 72,615	\$ 734,721	\$ 418,438	\$ 1,153,159
	(1) Cash Working Capital 5 Quarter Year End Balance is the same as the December 2019 Balance.							